

**PRESS RELEASE**

**IMMSI GROUP: RESULTS AT 30 September 2020**

Despite the objective difficulties of the pandemic, the Immsi Group reported a net profit at 30 September 2020, and successfully reduced debt by more than 75 million euro from the end of June 2020. Compared with the year-earlier period, the third quarter of 2020 was very positive: net sales rose by over 2%, EBITDA by 21%, EBIT by 55%, and net profit more than doubled.

- **Consolidated net sales 1,041.9 million euro** (1,253.8 €/mln at 30.09.2019)
- **EBITDA 150.9 million euro** (192.2 €/mln at 30.09.2019)  
**EBITDA margin 14.5%** (15.3% at 30.09.2019)
- **EBIT 61.1 million euro** (99.8 €/mln at 30.09.2019)  
**EBIT margin 5.9%** (8% at 30.09.2019)
- **Profit before tax 33.6 million euro subject to tax amounting to 17.6 million euro**
- **Net profit including minority interests 16.1 million euro** (32.8 €/mln at 30.09.2019)
- **Consolidated net profit of 9.2 million euro** (16.4 €/mln at 30.09.2019)
- **Consolidated net financial position of the Immsi Group -823.7 €/mln, an improvement of 75.1 million euro** from 898.8 €/mln at 30.06.2020 and an improvement of 3.3 million euro from 827 €/mln at 30.09.2019
- **Capital expenditure 90.6 million euro** (93.8 €/mln at 30.09.2019)

*Mantua, 12 November 2020* - At a meeting today chaired by Roberto Colaninno, the Board of Directors of **Immsi S.p.A.** (IMS.MI) examined and approved the interim report on operations as at and for the nine months to 30 September 2020.

**Immsi Group financial and business performance at 30 September 2020**

**Consolidated net sales** at 30 September 2020 amounted to **1,041.9 million euro**, a reduction of 16.9% from 1,253.8 million euro at 30 September 2019 as a result of the lockdown, which led to the suspension of production and commercial operations for a number of weeks in many countries.

Immsi Group consolidated **EBITDA** amounted to **150.9 million euro**, down 21.5% from 192.2 million euro at 30 September 2019. The **EBITDA margin** was **14.5%** (15.3% at 30 September 2019).

**Consolidated EBIT** was **61.1 million euro** (99.8 million euro at 30 September 2019). The **EBIT margin** was **5.9%** (8% at 30 September 2019).

**Profit before tax** was **33.6 million euro** (68.5 million euro at 30 September 2019) and was **subject to tax totalling 17.6 million euro**.

**Net profit including minority interests totalled 16.1 million euro** (32.8 million euro at 30 September 2019).

**Consolidated net profit was 9.2 million euro** (16.4 million euro at 30 September 2019).

**Immsi Group net financial debt at 30 September 2020 stood at 823.7 million euro, an improvement of 75.1 million euro** from debt of 898.8 million euro at 30 June 2020 arising largely from the quarter's positive sales performance and prudent management of working capital at the Piaggio Group. The Immsi Group's net financial debt was 796.4 million euro at 31 December 2019 and 827 million euro at 30 September 2019.

Immsi Group **capital expenditure** in 2020 amounted to **90.6 million euro** (93.8 million euro in the year-earlier period).

The Group's operations present seasonal variations in sales over the course of the year, especially in the industrial sector.

### **Performance of the Immsi Group businesses at 30 September 2020**

#### ***Industrial Sector: Piaggio Group***

**In the nine months to 30 September 2020, the Piaggio Group sold 353,900 vehicles worldwide, reporting consolidated net sales of 993.8 million euro.** Consolidated EBITDA was 150.1 million euro, with an EBITDA margin of 15.1%; EBIT was 63.6 million euro, with an EBIT margin of 6.4%; net profit was 29.1 million euro.

The Piaggio Group's **operating expense** in the first nine months totalled **222.3 million euro, a sharp reduction of 15.8%** from 264.2 million euro in the year-earlier period, **arising largely as a result of the mitigating action put in place since the end of the first quarter of 2020 to respond to the Covid-19 emergency.**

**Piaggio Group net debt at 30 September 2020 stood at 444.8 million euro, an improvement of 83.7 million euro** from 528.5 million euro at 30 June 2020, **secured by a positive sales performance in the third quarter and prudent management of working capital.**

#### ***Naval Sector: Intermarine S.p.A.***

At 30 September 2020, the subsidiary **Intermarine S.p.A.** reported **consolidated net sales of 46.8 million euro;** EBITDA was 5.1 million euro. with an EBITDA margin of 10.9%; EBIT was 2.5 million euro, with an EBIT margin of 5.3%; net profit was 0.2 million euro.

Specifically, net sales consisted of 35.9 million euro in the Military Sector and 10.9 million euro in the Fast Ferries and Yacht division, relating largely to operations at the Messina shipyard.

#### ***Real Estate and Holding sector***

The Real Estate and Holding sector had net sales of 1.2 million euro at 30 September 2020.

The subsidiary **Is Molas S.p.A.**, which manages the Is Molas Golf Resort project in the province of Cagliari, completed four showhomes and took the remaining 11 villas in the first batch to an advanced unfinished stage, to enable potential clients to select floorings and internal finishes. The company confirmed the possibility of leasing the showhomes in order to enable end customers, including investors, to become familiar with the product and related services on

offer. Commercial operations are underway to identify possible national/international purchasers.

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### **Significant events in and after the first nine months of 2020**

Supplementing the information published above or at the time of approval of the 2020 first-half results (directors' meeting of 2 September 2020), this section illustrates key events in and after the first nine months of 2019.

On 19 October, the Piaggio Group and the European Investment Bank (EIB) signed a 7-year 30 million euro finance contract to fund the research and development projects set out in the investment plan, to be conducted at the Piaggio Group's Italian sites through 2021. The funding follows a previous loan agreement signed last year, taking the EIB's overall commitment to the Piaggio Group to 100 million euro.

At the meeting held on 30 October to approve the financial statements at 30 September 2020, the Piaggio Group Board of Directors approved a plan to renovate the historic Moto Guzzi factory in Mandello del Lario, which celebrates its centenary next year.

The project, awarded to world-famous US architect and designer Greg Lynn, involves a major restoration for the entire area, from the production floor to the offices and the museum wing, where Moto Guzzi models illustrating the company's history since 1921 are on display.

The meeting also announced the expansion of the Piaggio Group E-Mobility department, which develops core components for 2-, 3- and 4-wheel electric vehicles. New offices and workshops will be built in Pontedera and the organisational structure will be reinforced, to be composed of about 40 engineers specialising in electronics, mechanics and electrical technology.

On 5 November, Piaggio Fast Forward (PFF) launched a series of pilot programs, under which it will join partners active in a variety of business sectors to test new applications for its revolutionary robot carrier, Gita, in tourist, residential, retail and last-mile-delivery environments.

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### **Outlook**

Since the early months of 2020 a situation of macroeconomic instability has emerged with the spread of Covid-19, affecting economic activities initially in China and subsequently in the other countries.

As reflected in the figures on world economic performance, this instability is having a significant impact on the global growth outlook, influencing general macroeconomic conditions and the financial and real estate markets, despite the decisions that have already been taken by the world authorities to support the recovery.

It is still difficult to provide guidance for the final quarter of the year, however, as much depends on how the Covid-19 pandemic evolves following the upturn that began in Europe in October, and on government measures implemented to limit contagion and support the economy in the countries where the Group operates.

In the **Industrial Sector**, within this general picture Piaggio will continue to work to meet its commitments and targets, while maintaining all the measures in place for management of the crisis caused by the pandemic for as long as necessary, and to implement a speedy and flexible

response to any unexpected and difficult situations that might arise in the final months of 2020, thanks to an increasingly efficient cost structure.

In the **Naval Sector** too, as regards the business and financial situation it is not currently possible to forecast the trend in the health emergency and the impact on the economy. Despite the difficult general situation, production will proceed on current contracts over the coming months and commercial operations will continue in all the company businesses, with a view to seizing favourable opportunities. Management also will continue to take all measures to contain costs and all necessary action to acquire new contracts in order to expand the order book and optimise production capacity for the coming years.

In the **Real Estate and Tourist Hospitality Sector**, as for all the Group core businesses, it is difficult to forecast the possible trend in the health emergency. For Is Molas, it is not possible to forecast negative financial and business impacts, but the company is continuing its commercial activities to identify possible purchasers in Italy and abroad.

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The manager in charge of preparing the company accounts and documents, Brenda Rossi, certifies, pursuant to paragraph 2 of art. 154-*bis* of the Consolidated Law on Financial Intermediation, that the accounting disclosures in this statement correspond to the accounting documents, ledgers and entries.

This press release may contain forward-looking statements relating to future events and Immsi Group business and financial results. By their nature, these statements are subject to inherent risks and uncertainties, since they relate to events and depend on circumstances that may or may not occur or exist in the future. Actual results may differ materially from those expressed in such statements as a result of a variety of factors.

This press release contains a number of indicators that, though not yet contemplated by the IFRS (“Non-GAAP Measures”), are based on financial measures envisaged by the IFRS. These indicators – presented in order to assist assessment of the Group’s business performance – should not be considered as alternatives to those envisaged by the IFRS and are consistent with those in the Immsi Group 2019 Annual Report and quarterly and half-year reports. Furthermore, since determination of such indicators is not specifically regulated by the IFRS, the methods used may not coincide with those adopted by other companies/groups, and consequently the indicators in question may not be comparable. Specifically, the following alternative performance indicators are used:

- EBITDA: earnings before amortisation and impairment losses on property, plant and equipment and intangible assets, as reflected in the income statement;
- Net financial debt: this reflects financial liabilities (current and non-current), less cash and cash equivalents, and other financial receivables (current and non-current). Determination of net financial debt does not include other financial assets and liabilities arising from measurement at fair value of derivatives designated as hedges, fair value adjustments of the related hedged items, related accruals, interest accrued on loans and financial liabilities relating to discontinued operations. The schedules in the Immsi Group Interim Report on Operations for the first nine months to 30 September 2020 include a table illustrating the composition of net financial debt. In this regard, in compliance with CESR recommendation of 10 February 2005 “Recommendation for uniform enactment of the European Commission regulation on disclosures”, attention is drawn to the fact that the indicator determined as described represents the amount as monitored by Group management and differs with respect to Consob Communication no. 6064293 of 28 July 2006, since it also includes non-current financial receivables.

In drawing up the Interim Report on Operations as at and for the nine months to 30 September 2020, the Immsi Group applied the same accounting policies as those used to draw up the Report on Operations and Financial Statements as at and for the year ended 31 December 2019.

Immsi S.p.A. said that the Interim Report on Operations as at and for the nine months to 30 September 2020 will be available to the public at the company registered office, in the “eMarket STORAGE” authorised storage mechanism at [www.emarketstorage.com](http://www.emarketstorage.com) and on the issuer’s website [www.immsi.it](http://www.immsi.it) (section “Investors/Financial Reports/2020”) as required by law.

The Immsi Group reclassified consolidated income statement, reclassified consolidated statement of financial position and consolidated statement of cash flows are set out below. In compliance with the Instructions to the Regulation for markets organised and managed by Borsa Italiana S.p.A. section IA.2.6, the reclassified schedules are not subject to auditing by the independent auditors.

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## SCHEDULES

### Immsi Group Reclassified Consolidated Income Statement

In thousands of euro	30.09.2020		30.09.2019		Change	
<b>Net sales</b>	<b>1,041,861</b>	<b>100%</b>	<b>1,253,752</b>	<b>100%</b>	<b>-211,891</b>	<b>-16.9%</b>
Cost of materials	628,366	60.3%	740,603	59.1%	-112,237	-15.2%
Cost of services and use of third-party assets	164,541	15.8%	208,205	16.6%	-43,664	-21.0%
Employee expense	170,204	16.3%	187,861	15.0%	-17,657	-9.4%
Other operating income	90,679	8.7%	93,890	7.5%	-3,211	-3.4%
Impairment reversals (losses) net of trade and other receivables	-2,043	-0.2%	-1,197	-0.1%	-846	-70.7%
Other operating expense	16,520	1.6%	17,598	1.4%	-1,078	-6.1%
<b>EBITDA</b>	<b>150,866</b>	<b>14.5%</b>	<b>192,178</b>	<b>15.3%</b>	<b>-41,312</b>	<b>-21.5%</b>
Depreciation and impairment property, plant and equipment	37,237	3.6%	36,931	2.9%	306	0.8%
Goodwill impairment	0	-	0	-	0	-
Amortisation and impairment intangible assets with finite life	52,551	5.0%	55,419	4.4%	-2,868	-5.2%
<b>EBIT</b>	<b>61,078</b>	<b>5.9%</b>	<b>99,828</b>	<b>8.0%</b>	<b>-38,750</b>	<b>-38.8%</b>
Results of associates	772	0.1%	624	0.0%	148	-
Finance income	21,804	2.1%	12,931	1.0%	8,873	68.6%
Finance costs	50,031	4.8%	44,894	3.6%	5,137	11.4%
<b>PROFIT BEFORE TAX</b>	<b>33,623</b>	<b>3.2%</b>	<b>68,489</b>	<b>5.5%</b>	<b>-34,866</b>	<b>-50.9%</b>
Income tax	17,573	1.7%	35,727	2.8%	-18,154	-50.8%
<b>PROFIT (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>16,050</b>	<b>1.5%</b>	<b>32,762</b>	<b>2.6%</b>	<b>-16,712</b>	<b>-51.0%</b>
Profit (loss) for the period from discontinued operations	0	-	0	-	0	-
<b>PROFIT (LOSS) FOR THE PERIOD INCLUDING MINORITY INTERESTS</b>	<b>16,050</b>	<b>1.5%</b>	<b>32,762</b>	<b>2.6%</b>	<b>-16,712</b>	<b>-51.0%</b>
Minority interests	6,820	0.7%	16,380	1.3%	-9,560	-58.4%
<b>GROUP PROFIT (LOSS) FOR THE PERIOD</b>	<b>9,230</b>	<b>0.9%</b>	<b>16,382</b>	<b>1.3%</b>	<b>-7,152</b>	<b>-43.7%</b>

## Immsi Group Reclassified Consolidated Statement of Financial Position

In thousands of euro	<b>30.09.2020</b>	<i>in %</i>	<b>31.12.2019</b>	<i>in %</i>	<b>30.09.2019</b>	<i>in %</i>
<b>Current assets:</b>						
Cash and cash equivalents	267,275	12.4%	212,596	10.1%	222,617	10.0%
Financial assets	0	0.0%	0	0.0%	0	0.0%
Operating assets	496,562	23.1%	488,722	23.2%	549,020	24.5%
<b>Total current assets</b>	<b>763,837</b>	<b>35.5%</b>	<b>701,318</b>	<b>33.3%</b>	<b>771,637</b>	<b>34.5%</b>
<b>Non-current assets:</b>						
Financial assets	0	0.0%	0	0.0%	0	0.0%
Intangible assets	855,007	39.7%	848,853	40.2%	840,861	37.6%
Property, plant, equipment	329,174	15.3%	337,988	16.0%	332,380	14.9%
Other assets	205,770	9.6%	220,879	10.5%	291,711	13.0%
<b>Total non-current assets</b>	<b>1,389,951</b>	<b>64.5%</b>	<b>1,407,720</b>	<b>66.7%</b>	<b>1,464,952</b>	<b>65.5%</b>
<b>TOTAL ASSETS</b>	<b>2,153,788</b>	<b>100.0%</b>	<b>2,109,038</b>	<b>100.0%</b>	<b>2,236,589</b>	<b>100.0%</b>
<b>Current liabilities:</b>						
Financial liabilities	436,363	20.3%	461,981	21.9%	455,091	20.3%
Operating liabilities	608,421	28.2%	634,140	30.1%	687,133	30.7%
<b>Total current liabilities</b>	<b>1,044,784</b>	<b>48.5%</b>	<b>1,096,121</b>	<b>52.0%</b>	<b>1,142,224</b>	<b>51.1%</b>
<b>Non-current liabilities:</b>						
Financial liabilities	654,626	30.4%	547,011	25.9%	594,519	26.6%
Other non-current liabilities	82,846	3.8%	91,593	4.3%	112,379	5.0%
<b>Total non-current liabilities</b>	<b>737,472</b>	<b>34.2%</b>	<b>638,604</b>	<b>30.3%</b>	<b>706,898</b>	<b>31.6%</b>
<b>TOTAL LIABILITIES</b>	<b>1,782,256</b>	<b>82.7%</b>	<b>1,734,725</b>	<b>82.3%</b>	<b>1,849,122</b>	<b>82.7%</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>371,532</b>	<b>17.3%</b>	<b>374,313</b>	<b>17.7%</b>	<b>387,467</b>	<b>17.3%</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>2,153,788</b>	<b>100.0%</b>	<b>2,109,038</b>	<b>100.0%</b>	<b>2,236,589</b>	<b>100.0%</b>

## Immsi Group Consolidated Statement of Cash Flows

In thousands of euro	30.09.2020	30.09.2019
<i>Operating assets</i>		
Profit before tax	33,623	68,489
Depreciation of tangible assets (including investment property)	37,237	36,931
Amortisation of intangible assets	52,551	55,136
Provision for risks, severance liabilities and similar obligations	13,670	15,708
Impairment losses / (Reversals of impairment losses to fair value)	3,950	2,379
Losses / (Gains) on the sale of tangible assets (including investment property)	(108)	(38)
Finance income	(969)	(2,946)
Dividend income	(25)	(111)
Finance costs	33,098	34,796
Amortisation of public grants	(3,546)	(4,332)
Change in working capital	(42,106)	54,023
Change in non-current provisions and other variations	(13,736)	(40,367)
<i>Cash generated by operating activities</i>	113,639	219,668
Interest expense paid	(21,603)	(26,125)
Tax paid	(11,836)	(23,666)
<i>Cash flow relating to operating activities</i>	80,200	169,877
<i>Investing activities</i>		
Acquisition of subsidiaries, net of cash and cash equivalents	(217)	(212)
Investment in tangible assets (including investment property)	(30,505)	(32,344)
Sale price or redemption value of tangible assets (including investment property)	325	85
Investment in intangible assets	(60,072)	(61,452)
Sale price or redemption value of intangible assets	8	41
Interest collected	796	515
Sale price of discontinued operations	0	(5)
Public grants collected	954	2,114
Dividends from equity investments	25	111
<i>Cash flow relating to investing activities</i>	(88,686)	(91,147)
<i>Financing activities</i>		
Loans received	228,216	72,646
Outflow for loan repayments	(144,082)	(99,560)
Reimbursement finance leases and rights of use	(7,198)	(5,599)
Outflow for dividends paid to Minority Shareholders	(9,779)	(25,802)
<i>Cash flow relating to financing activities</i>	67,157	(58,315)
<i>Increase / (Decrease) in cash and cash equivalents</i>	58,671	20,415
<i>Opening balance</i>	212,055	195,968
Exchange differences	(3,452)	5,803
<i>Closing balance</i>	267,274	222,186